

Capital Planning Committee

Meeting Minutes

December 17, 2015

In attendance were:

Steve Andrew
Charles Foscett
Diane Johnson
Anthony Lionetta
Eve Margolis
Mike Morse
Brian Rehrig
Barbara Thornton
Richard Viscay

* Denotes those not in attendance

- **Meeting Opened:** Charlie Foscett commenced the meeting. Minutes of the December 3 2015 meeting were reviewed and approved. (Nice job Eve!) Agenda and Materials were provided to Committee Members. Charlie acknowledged the good work of Eve and Brian in compiling the latest draft of the Capital Plan.
- **Review of Prior Year Balances:** A report on past year capital balances provided by Richard Viscay and a sort report prepared by Charlie Foscett were used in the review. The review considered the Comptroller's proposed recommendation that balances more than 2 fiscal years old be swept. Also considered were insights garnered by the Subcommittees as part of their discussions with the Department Heads. Both bond and tax levy balances were reviewed one by one with decisions made to retain or to sweep them. The swept balances will "remain" in the Capital Plan and incorporated into the 5% calculation thru an adjustment.

Many of these balances are the result of items purchased or projects completed for less than the budgeted amount. Others have not been acted on and are no longer relevant or needed.

Note that some of the Public Works balances were initially considered to offset/cancel a FY 2017 request for a one Ton Truck (\$65,000). With the sweep approach, the request for \$65k needs to be added back into the FY 2017 Plan.

Eve Margolis will check with Planning on some of the Gibbs Items and Richard Viscay will do the same with the Library on their balances to confirm that these respective balances are not already contractually committed.

- **Thompson School Project Balance.** There is a significant capital balance from the Thompson School Project in the amount of \$1,113,773. Richard Viscay will confirm what needs to be done, if anything, to repurpose this balance to the Stratton School Project. There is general agreement, that one way or the other, it is acceptable to view this as an amount that can be redirected to the Stratton project.

- **Rescinding of Prior Debt Votes.** The Town Treasurer has a warrant article to rescind amounts that have been authorized for borrowing, but no longer needed for the purpose that they were initially approved for. (hard copy list of items provided.) They total \$317,996. The CPC voted to support this warrant.
- **Comments/Questions on Items:** Brian Rehrig raised some questions for discussion.
 - Town Hall is in the plan for \$100k/yr as a bonded item. Should it be cash? The decision was made to keep it as is until the new Facilities Department can get their program together.
 - IT Needs Assessment (\$35k) under Cash and DPW Roadway Consulting (\$25k) under Cash. Are they Capital? It was decided that they are capital in that they lead to a capital projects or expenditures.
- **Senior Center Requests:** Barbara Thornton commented on there being two items for Senior Center Studies; One under Health & Human Services (\$25k), the other under Planning (\$12k). There needs to coordination between these two departments. Also Barbara noted that a letter was sent to Arlington Redevelopment Board prepared by her and Steve Andrew, on behalf of the CPC, expressing continuing concern over the approach being taken with Civic Block properties inclusive of the Senior Center.
- **Review of Capital Plan:** The current draft Capital Plan is over subscribed by almost \$2 million, however this is prior to modification. Charlie Foskett reviewed the various adjustments that are made in the summary table of the Plan. Highlighted comments on these are:
 - FY2017 is the last year for the Ottoson adjustment. (last year to receive the delayed State reimbursement)
 - Antennae funds, by Town Meeting vote, must be used for Parks and Playgrounds. While in the future, funding for Park projects will shift to the CPA, there will still be debt service funded by the CP for parks for a number of years into the future.
 - Brian Rehrig and Eve Margolis collaborated on fine tuning of Ambulance and Antennae fund allocations over the five year plan.
 - The 2016 encumbered debt service adjustment was added in FY 2017 in that the related bonding was not done in FY 2016.
 - The Comptroller identified a Premium Account that has \$2,500,000 that needs to be moved from a separate account to a general fund account. Also this sum needs to be distributed to the Capital Plan offset the payment of the higher interest rates that is being carried the Plan. The policy on how this is done needs to be confirmed by the Town Manager and Town Counsel.
 - The “Capital Carry Forward” adjustment in FY 2017 increase from current \$150k, now shown, to a greater number once the tally of swept balances is done.

Also Brian Rehrig noted that there may be a considerable underrun on the Community Safety Building Project. The PTBC may be in a position to know what the amount is by early January. (may be possibly in the range of \$750k).

- **Stratton School Funding:** The project is currently estimated to cost about \$700k over the original budget. The Town intends using the debt exclusion vote of 2002 for a portion of the project's funding. The Town will be making the case to the DOR for this even though State Reimbursement is not part of the funding plan as stipulated in the vote. The basis for this position is extended period of time, changes in the States funding agency, the impact of inflation and most importantly that the Capital Plan will absorb a percentage of the cost (instead of the MSBA) thereby meeting with the principle of not overly increasing the debt exclusion levy to the taxpayer. The plan is to have up to \$5.8 million from the debt exclusion. This includes the \$1.1 million redirected from the Thompson School project. Richard Viscay will be preparing the position for submittal to DOR. It is hoped that their decision can be rendered before the Town's January Special Town Meeting.
- **CPC Budget Action Vote:** The CPC voted in the affirmative on the following CP positions. The vote is subject to a final draft of the CPC which incorporate the various items discussed at this meeting (Brian, Eve and Charlie to work on this)
 - Apply tax levy and bonding balances, to be swept, back into the draft plan. This will change the current \$150k plug adjustment for FY2017.
 - Assign the \$700k needed to cover the projected additional cost for Stratton to exempt funding.
 - Redirect the \$1.1 million balance from Thompson to Stratton.
 - Apply the questimated \$400 to \$500k of Stratton related requests in the current plan (whether exempt or non- exempt) to the Stratton School Project.
 - Apply potential savings from the Community Safety Building
 - Meter the \$500k /yr. Request from DPW for Sidewalks (this item was previously funded at \$50k /yr.) as needed to balance the CP. Say lower in FY 2017 then ramping up.
 - Apply the DAV sale to Stratton School Project.

The CPC voted in the affirmative on the above.

- **CPC Support of Stratton Funding:** The CPC voted to support the Warrant Article for Stratton funding at the January Special Town Meeting so that the project can be scheduled and implemented so as to best mitigate impacts to school operations.
- **Next Meeting:** January 14, 2016 not the 15th. Also there is no meeting on the 7th.

Adjournment